

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 702

Introduced by Assembly Member Salas

February 26, 2009

An act to amend Section 50802 of the Health and Safety Code, relating to housing and community development, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 702, as amended, Salas. Emergency Housing and Assistance Fund.

Existing law creates within the State Treasury the Emergency Housing and Assistance Fund, a continuously appropriated fund, to carry out the purposes of the Emergency Housing and Assistance Program. Existing law requires the Department of Housing and Community Development to ensure that not less than 20% of the moneys in the fund be allocated to nonurban counties during any given fiscal year.

This bill would also require the department to ensure that a certain percentage of the moneys in the fund be allocated to sponsors of veterans only homeless projects or projects that give preference to veterans during any given fiscal year. The bill would require that funds not utilized to their full capacity during the fiscal year be allocated in that fiscal year for general distribution in accordance with the intent and purposes of the program.

~~Under the Emergency Housing and Assistance Program, the Department of Housing and Community Development is authorized to~~

~~make grants from the continuously appropriated Emergency Housing and Assistance Fund to local governments and nonprofit organizations to provide emergency or transitional housing, as specified.~~

~~This bill would appropriate, for the 2009–10 fiscal year, \$4,000,000 from the General Fund to the Emergency Housing and Assistance Fund, as specified, for operating facilities and capital development grants. The bill would prohibit grants funded pursuant to the appropriation to be used to supplant existing emergency shelter or transitional housing funding. The bill would impose various limitations on the award amounts of specified grants.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: ~~yes-no~~. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 50802 of the Health and Safety Code is
2 amended to read:

3 50802. (a) The department shall ensure that not less than 20
4 percent of the moneys in the Emergency Housing and Assistance
5 Fund shall be allocated to nonurban counties during any given
6 fiscal year. If the funds designated for facilities operation that are
7 allocated to nonurban counties are not awarded by the end of that
8 fiscal year, then those unencumbered funds shall be allocated in
9 the next fiscal year to urban counties. Funds for capital
10 development that are not awarded by the end of the second fiscal
11 year shall be awarded in the subsequent fiscal year to urban
12 counties.

13 (b) The amount of funds that the department allocates from the
14 Emergency Housing and Assistance Fund to each region, excluding
15 funds allocated pursuant to subdivision (a), shall be based upon a
16 formula that accords at least 20 percent weight to each of the
17 following factors:

18 (1) The relative number of persons in the region below the
19 poverty line according to the most recent federal census, updated,
20 if possible, with an estimate by the Department of Finance,
21 compared to the total of the urban counties.

22 (2) The relative number of persons unemployed within each
23 region, based on the most recent one-year period for which data
24 is available, compared to the total of the urban counties.

1 (c) Grant funds shall be disbursed as expeditiously as possible
2 by the department.

3 (d) The department shall use not more than 5 percent of the
4 amount available for funds pursuant to this chapter to defray the
5 department's administrative costs pursuant to this chapter.

6 (e) Notwithstanding any other provision of this chapter, the
7 department shall distribute funds appropriated for purposes of the
8 activities specified in paragraph (2) of subdivision (a) of Section
9 50803 as grants in the form of forgivable deferred loans, subject
10 to all of the following:

11 (1) Funding shall be made available to each project as a loan
12 with a term of five years for rehabilitation, seven years for
13 substantial rehabilitation, or 10 years for acquisition and
14 rehabilitation or new construction. Each deferred loan shall be
15 secured by a deed of trust and promissory note. Repayment of the
16 loan shall be deferred as long as the project is used as an emergency
17 shelter or transitional housing. At the completion of the specified
18 year term, the loan shall be forgiven. If a transfer or conveyance
19 of the project property, however, occurs prior to that time that
20 results in the property no longer being used as an emergency shelter
21 or transitional housing, the department shall terminate the grant
22 and require the repayment of the deferred loan in full.

23 (2) Applications for funding shall be made pursuant to
24 department-issued statewide "Notices of Funding Availability"
25 without the need for additional regulations.

26 (3) The department shall set forth the criteria for evaluating
27 applications in the "Notices of Funding Availability" and shall
28 make deferred loans based on those applications that best meet the
29 criteria.

30 (4) The department shall specify in the "Notice of Funding
31 Availability" both maximum and minimum grant amounts that
32 may be varied for urban and nonurban counties.

33 (5) Contracts for projects that have not begun construction
34 within the initial 12-month period shall be terminated and funds
35 reallocated. The department, however, may extend this period by
36 a period not to exceed 12 months.

37 (f) (1) *The department shall ensure that a percentage of the*
38 *moneys in the Emergency Housing and Assistance Fund be*
39 *allocated to sponsors of veterans only homeless projects or projects*
40 *that give preference to veterans during any given fiscal year. The*

1 department shall use the percentage calculated pursuant to
2 paragraph (2).

3 (2) The department, in conjunction with the Department of
4 Veterans Affairs, shall use existing data to annually determine the
5 percentage of veterans within the homeless population.

6 (3) If the funds designated pursuant to paragraph (1) are not
7 utilized to their full capacity during the fiscal year, then those
8 unencumbered funds shall be allocated in that fiscal year for
9 general distribution in accordance with the intent and purposes
10 of this chapter.

11 ~~SECTION 1. (a) For the 2009–10 fiscal year, the sum of four~~
12 ~~million dollars (\$4,000,000) is hereby appropriated from the~~
13 ~~General Fund to the Emergency Housing and Assistance Fund~~
14 ~~which shall be distributed pursuant to Chapter 11.5 (commencing~~
15 ~~with Section 50800) of Part 2 of Division 31 of the Health and~~
16 ~~Safety Code for operating facilities and capital development grants.~~

17 ~~(b) Grants funded pursuant to this section shall not be used to~~
18 ~~supplant existing emergency shelter or transitional housing funding.~~

19 ~~(c) Notwithstanding any regulatory provision to the contrary,~~
20 ~~operating facilities grants shall not exceed one hundred thousand~~
21 ~~dollars (\$100,000) nor be less than thirty thousand dollars~~
22 ~~(\$30,000). For counties with an allocation of greater than thirty~~
23 ~~thousand dollars (\$30,000), one grant of less than thirty thousand~~
24 ~~dollars (\$30,000) may be awarded if necessary to fully utilize the~~
25 ~~county's allocation. For counties with an allocation of up to or~~
26 ~~equal to thirty thousand dollars (\$30,000), up to two grants of less~~
27 ~~than thirty thousand dollars (\$30,000) may be awarded.~~